

TUCSON SUPPLEMENTAL RETIREMENT SYSTEM BOARD OF TRUSTEES
Notice of Special Meeting Minutes

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Supplemental Retirement System (TSRS) Board of Trustees and to the general public that the TSRS Board will hold the following meeting virtually (remotely) using Microsoft Teams on:

Wednesday, January 19, 2022, at 8:30 A.M.

MEETING NOTE: Due to the impacts of the COVID-19 pandemic, which have prompted declarations of a public health emergency at the local, state and federal levels, this meeting will be conducted using measures to protect public health. This meeting will be held remotely through technological means, as permitted under Arizona law. The meeting will not include any items that will involve time set aside for public comments. The meeting will be recorded and posted to City Boards, Committees, and Commissions website for public review.

IN-PERSON ATTENDANCE BY MEMBERS OF THE PUBLIC WILL BE PROHIBITED.

PLEASE BE AWARE THAT THESE MEASURES ARE IN PLACE TO LIMIT THE NEED FOR MEMBERS OF THE PUBLIC TO PARTICIPATE IN LARGE PUBLIC GATHERINGS, WHILE ENSURING THAT THE DISCUSSIONS, DELIBERATIONS AND ACTIONS OF THE TSRS BOARD ARE TRANSPARENT AND CONDUCTED OPENLY.

For those individuals new to Microsoft Teams, please download the application and be ready when the meeting starts using the following information:

Join on your computer or mobile app

[Click here to join the meeting](#)

Or call in (audio only)

+1 213-293-2303, 842875510# United States, Los Angeles

Phone Conference ID: 842 875 510#

[Find a local number](#) | [Reset PIN](#) [Learn More](#) | [Meeting options](#)

A) Call to Order

Chairman Mark Rubin Calls Meeting to order at 8:30am

Elsa Quijada Absent at roll call.

Jim Wysocki absent at roll call. Arrived at 8:43am

B) Administrative Discussions

1. Review of Funding Policy

Dana Woolfrey from Gabriel Roeder Smith (GRS) presented the Board with a presentation that included an overview the current actuarial assumptions as well as the existing funding policy background that is currently in place. GRS made a strong recommendation to the Board to close the amortization period of the plan and recommended the Board consider shortening the amortization period from 20 to 15 years and reducing the discount rate assumption from 7.00% to 6.75. Gordon Weightman from Callan opined that the forthcoming capital market expectations supported a reduction in the discount rate over the next 10-year period. GRS reminded the Board that during the most recent actuarial assumption study, done in 2019, also recommended a reduction to 6.75% but the Board voted to reduce to 7.00% so this recommendation is in line with the study.

GRS also reviewed information about what other similar sized municipal clients were doing with their assumptions considering the recent investment gains seen in the market and the relative strength those gains had on the plans that were included in the review. The conclusion is that the considerations the Board is making with the assumption set are reasonable and can be supported by other actions in their respective peer groups in recent years.

GRS presentation included future funding projections based on the new assumption set as well as the impact on the timing to full funding, employee contribution rates and the impact to the City's actuarially determined contribution rate.

GRS concluded that the current funding policy is incredibly strong but the heavy lifting on the plan performance is being done by the City's continued funding at 27.5% as per the policy. GRS further stated that their recommendation to the Board to modify the assumptions allows the Board to utilize the levers within their governance structure to help ensure plan sustainability and benefit security.

The Board members debated the value of the change and the impact it might have on future City budgets, noting that the City Manager and the Mayor & Council have made a commitment to contribute significantly more than the minimum required contribution over the past several years. They asked if the changes might cause the required contribution rate to exceed the current level of 27.5%. Dana presented her analysis which showed that this was highly unlikely. It is not totally impossible.

The City's current funding policy has been very beneficial, and the Board noted that they wish to continue to have a healthy and supportive relationship with the City. Knowing that these changes might have an impact on the City at some point in the future, the Board determined it would be prudent to inform the City Manager of the proposed changes. In addition, the Board noted that if the City Manager had any questions

or concerns about this, this would provide him with enough time to gather information and address these concerns.

Finally, it was noted that if this discussion brings forth any issues that might be of concern to Mayor and Council there will be time for review and discussion before any finalization of actuarial assumptions.

The Board directed Art and Cassie to present this information to the City Manager and will bring any concerns or questions for discussion at the next TSRS Board meeting set for January 27th, 2022.

C) Adjournment

**Motion to Adjourn made by Kevin Larson, 2nd by Jim Wysocki.
Motion passes 6-0.**

Adjourned 10:26am

Members Remotely Present:

Mark Rubin, Chairman
Kevin Larson, City Manager Appointee
Vivian Newsheller, Deputy Director Controller
Jorge Hernandez, Elected Representative
James Wysocki, Elected Representative
Jeff Whiting, Elected Representative

Members Remotely Absent:

Elsa Quijada, Deputy Director Human Resources

Staff Remotely Present:

Art Cuaron, Pension & Benefits Administrator
Pete Saxton, Pension Manager
Dawn Davis, Lead Pension Analyst
Noemi Gonzalez, Pension & Benefits Administrative Assistant
Tina Gamez, Pension Administrative Assistant

Guest Remotely Present:

Catherine Langford, Yoder & Langford
Gordie Weightman, Callan LLC
Dana Woolfrey, GRS
Paul Wood, GRS

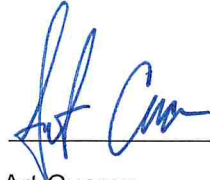
 E-SIGNED by Mark Rubin
on 2022-04-22 23:20:28 GMT

April 22, 2022

Mark Rubin

Date

Chairman of the Board



Art Cuaron

Pension & Benefits Administrator



Date